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CENTRAL INTELLIGENCE AGENCY
26 October 1973

State Dept. review
completed

INTELLIGENCE MEMORANDUM

MIDDLE EAST

Situation Report Number 84
(As of 1630 EDT)

THE MILITARY SITUATION

MORI c03316253

GENERAL

(All times cited in military paragraphs are Cairo/
Tel Aviv time, unless otherwise specified.)

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STATUS OF SOVIET AND EAST EUROPEAN FORCES

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troop
rotations do not appear to be delayed as a direct result
of the Middle East crisis, although minor delays may occur
because of transportation tie-ups.

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EGYPTIAN FRONT

13. Heavy fighting continued through the afternoon at the southern end of the canal, but the northern sector remains calm. A senior Israeli liaison officer reports that elements of the Egyptian Third Army were attacking at five points along the canal this afternoon in an attempt to cross-back to the west bank. He claims Egyptian efforts to bridge the canal and move infantry by boat are being repulsed by Israeli forces.

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ATTACHE TOUR

17. The Israeli-sponsored helicopter tour of the front taken by US attaches this morning provided some details on Israeli activities on the Sinai front. Three bridges are across the canal near Doversoir and a fourth

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is under construction. Pontoon sections for yet another bridge were observed aboard trucks west of Gidi Pass heading toward the canal. One of the attaches also saw what he believed were 25 or 30 additional trucks loaded with pontoon bridge sections west of Gidi.

18. The attaches observed heavy traffic on roads leading to the canal. Fourteen self-propelled guns were seen crossing one of the bridges or heading toward it. Convoys of 30 to 40 vehicles, including self-propelled artillery, were seen at four intersections north of Mitla Pass. Earth-moving equipment, including bulldozers and road graders, also were seen moving toward or crossing the canal.

19. The attaches' impression was that little equipment was moving south toward Israeli forces encircling the Egyptian Third Army on the east bank. Some equipment was being moved out of that area either to the northern sector or onto the west bank.

SYRIAN FRONT

UNITED NATIONS

22. Secretary-General Waldheim will make his first report on preparations for the UN emergency force this evening. He is expected to announce that the force will comprise at least 7,000 men--somewhat more than were in the force that was disbanded in 1967--and cost up to \$15 million. The core of the force, 900 troops from the UN peacekeeping force on Cyprus, are arriving this afternoon in Cairo, the apparent headquarters of the operation. General Ensio Sililäsvuo, the Finnish commander of the Cyprus force, is

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in Cairo to take up the position of acting commander of the emergency force. No deployment plans are yet available, but Egypt is already insisting that the force be immediately empowered to compel withdrawal to the 22 October lines.

23. Several states have indicated that they will provide troops for the emergency force. Those that maintain regiments earmarked for emergency UN use, including Sweden, Norway, Finland, and Canada, have begun alerting those forces. These units typically range from 600 to 900 men and could be available within one to nine days. The Netherlands, Ireland, and Greece also seem willing to provide troops. The US and Great Britain are expected to provide major transport facilities, and Denmark and West Germany are prepared to assist.

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25. In Moscow today, the US Embassy queried the Soviet Foreign Ministry as to the meaning of "Soviet representatives" as expressed in Brezhnev's speech today. The head of the US division of the Foreign Ministry said the representatives "can be considered observers."

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THE MOOD IN CAIRO

30. The mood of Egyptians today, at the beginning of the Id al Fitr holiday, has been somber and devoid of the usual gaiety that accompanies the three-day feast marking the end of Ramadan. The public has been reacting to the news of military reversals along the Suez Canal front that has slowly become known over the past three days. The US Interests Section in Cairo finds that educated Egyptians probably believe that, while Egypt's victory has been tarnished, it is nonetheless a victory. It would take one of several serious reverses--the fall of Suez City, surrender of destruction of Third Army, or bombing of Cairo--to cancel this sensation of a limited victory.

31. Questions indicating disagreement and dissatisfaction with certain military decisions have been flying but, as yet, the people seem reluctant to criticize the army high command or President Sadat himself. The level and aims of Soviet assistance are coming into greater question despite press reports of alleged Soviet readiness to send peacekeeping troops to the Middle East at the risk of nuclear warfare.

32. Today's Cairo press indicates that the US may once again end up the real scapegoat, accounting for Egyptian military reversals and for the tardy implementation of the cease-fire, which Egyptians believe has led to Israeli successes on the west bank. Muhammad Hasanayn Haykal, editor of the influential Cairo newspaper Al Ahram, reportedly today that President Sadat had told him that Egypt was forced to accept the 22 October cease-fire because of direct US intervention in the fighting. The accusation was less direct than Nasir's similar charges following the 1967 war, but Haykal quoted Sadat as saying "my sons defeated Israel when both sides were without help. But I cannot order them to continue the war against the United States."

ISRAEL/US

33. Prime Minister Meir and Defense Minister Dayan, under some domestic pressure as a result of the government's handling of the war and its acceptance of the cease-fire, on 25 October assured the ruling Labor Alignment Party that these moves were "indispensable" to maintain US support and to seek a settlement. Mrs. Meir emphasized the "great danger" she saw for Israel in Moscow's actions, and indicated her trust in the actions of the President and Secretary Kissinger. Dayan similarly emphasized his recognition of Israel's dependence on the US for diplomatic and material support, and said that Israel could not have jeopardized this by taking preemptive military action or by refusing the cease-fire. Israel, Dayan said, for "political reasons" could not destroy the Arab armies and their weapons, but is nevertheless in a good strategic position and has left the Arabs "incapable" of renewing their attacks on Israel.

34. Ambassador Keating concludes from these statements and other conversations with Israeli leaders that the elements are present now that could make the US job of leading Israel into negotiations easier today than a few weeks from now. Domestic political maneuvering will increase in the weeks leading up to the Israeli parliamentary elections, now set for 31 December. The Israeli right-wing has already fired its opening shots, blaming the Labor government for knowing of the Arab build-up but not taking measures to prevent an attack, and for accepting the cease-fire and, UN Resolution 242, the principle of withdrawal from the occupied territories.

SAUDI ARABIA

35. King Faysal, in an interview in a Beirut magazine, has warned Arabs to prepare for more war in the event that Israel refuses to give up occupied Arab territories. Faysal claimed that the Arabs' first objective in the wake of the cease-fire should be to regain the territory lost in this war and in 1967. Until that objective is attained, Faysal said, he will maintain the Saudi embargo on oil shipments to the US.

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ANNEX I

SYRIAN VS. IRAQI BAAATHISTS


1. The Baath parties of Syria and Iraq are founded on the same ideological principles of socialism and Arab unity. More often than not, however, they have been bitter rivals; the Iraqi party contests the Syrian party's claim to be the legitimate descendant of the original Baath party, founded in Damascus in 1940 by Michel Aflaq and Salah al-Din al-Bitar, two French educated Arab intellectuals. Since 1966, Baghdad has been the headquarters of several exiled Syrian Baathist leaders whom the Iraq government has tried to use to undermine the Damascus regime. The Syrians have returned the compliment by giving support to Iraqi dissidents.

2. Despite the Soviet Union's persistent efforts to foster cooperation between its two Baath clients, relations between Damascus and Baghdad have been perennially strained. When Iraq nationalized the International Petroleum Company in 1972, Syria promptly nationalized the pipeline through which IPC oil passes to the Mediterranean, thus extracting vastly increased transit revenues from the irate Iraqis. On the eve of the current war, Damascus strongly attacked Iraq's plans to build a new pipeline through Turkey, claiming that it was designed to divert the oil flow from the Syrian pipeline.

3. In light of these past differences between the Syrian and Iraqi governments, some credence must be given the current spate of reports that Baghdad is considering taking advantage of its presently extensive troop deployments in Syria to mount a challenge to the government of Syrian President Asad. Should Iraqi President Bakr try to force Asad from office, he would almost certainly receive some support from opposition elements in Syria and from some fedayeen leaders. Armed with such support, he would publicly justify his move in terms of Asad's implied willingness to negotiate with Israel contained in his acceptance of this week's cease-fire.

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4. President Asad is naturally uneasy about the presence of large numbers of Iraqi troops--now about three divisions--in Syria, especially since Iraq has rejected the cease-fire. 25X1



ANNEX II

ARAB OIL CUTBACKS AND EMBARGOES:
SOME LEAKAGE BEGINS TO APPEAR

1. Saudi Arabia and Kuwait, which together account for 60 percent of Arab oil exports, are continuing to take a firm line in implementing their oil export restrictions. Some leakage is apparently occurring in Libya and Abu Dhabi, however, and oil companies are reportedly making efforts to ease the burden.

2. Saudi Arabia and Kuwait initially announced that they were reducing their oil production by 10 percent. Both have since implemented additional cuts in the amount of their direct and indirect exports to the United States. Kuwait has further reduced its production by an amount equivalent to that normally exported to the Netherlands. Libya is taking a more flexible approach than Saudi Arabia and Kuwait in applying its production cuts and embargo on shipments to the United States. Tripoli has reduced production by only five percent, and is not embargoing shipments to refineries in the Caribbean and Italy that serve the US market. Moreover, Libyan National Oil Company sales are not restricted by destination. The state company reportedly is not turning away US buyers willing to pay Tripoli's new high prices.

3. According to oil minister Otaiba, Abu Dhabi is not reducing production at all, although it is embargoing shipments to the United States. Otaiba explained that Abu Dhabi needs to maximize its revenues at this time. If Abu Dhabi continues this policy, it will give the oil companies the option of shipping oil from non-Arab sources to the United States and replacing those sources with Abu Dhabi oil.

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embargoes can be partly overcome by switching crude oil sources and passing oil through third countries. The magnitude of the company efforts to circumvent the embargoes will depend on how rigid the producers police their restrictions and whether the companies are willing to risk punitive action by the Arab states.

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